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(Original Signature of Member)

118TH CONGRESS  
1ST SESSION

**H. R.**

To establish an Independent Financial Technology Working Group to Combat  
Terrorism and Illicit Financing, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. NUNN of Iowa (for himself and Mr. HIMES) introduced the following bill;  
which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To establish an Independent Financial Technology Working  
Group to Combat Terrorism and Illicit Financing, and  
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Financial Technology  
5 Protection Act of 2023”.

1 **SEC. 2. INDEPENDENT FINANCIAL TECHNOLOGY WORKING**  
2 **GROUP TO COMBAT TERRORISM AND ILLICIT**  
3 **FINANCING.**

4 (a) ESTABLISHMENT.—There is established the Inde-  
5 pendent Financial Technology Working Group to Combat  
6 Terrorism and Illicit Financing (in this section referred  
7 to as the “Working Group”), which shall consist of the  
8 following:

9 (1) The Secretary of the Treasury, acting  
10 through the Under Secretary for Terrorism and Fi-  
11 nancial Intelligence, who shall serve as the chair of  
12 the Working Group.

13 (2) A senior-level representative from each of  
14 the following:

15 (A) Each of the following components of  
16 the Department of the Treasury:

17 (i) The Financial Crimes Enforcement  
18 Network.

19 (ii) The Internal Revenue Service.

20 (iii) The Office of Foreign Assets  
21 Control.

22 (B) The Department of Justice and each  
23 of the following components of the Department:

24 (i) The Federal Bureau of Investiga-  
25 tion.

1 (ii) The Drug Enforcement Adminis-  
2 tration.

3 (C) The Department of Homeland Security  
4 and the United States Secret Service.

5 (D) The Department of State.

6 (E) The Central Intelligence Agency.

7 (3) Five individuals appointed by the Under  
8 Secretary for Terrorism and Financial Intelligence  
9 to represent the following:

10 (A) Financial technology companies.

11 (B) Blockchain intelligence companies.

12 (C) Financial institutions.

13 (D) Institutions or organizations engaged  
14 in research.

15 (b) DUTIES.—The Working Group shall—

16 (1) conduct research on terrorist and illicit use  
17 of new financial technologies, including digital as-  
18 sets; and

19 (2) develop legislative and regulatory proposals  
20 to improve anti-money laundering, counter-terrorist,  
21 and other counter-illicit financing efforts in the  
22 United States.

23 (c) REPORTS.—

24 (1) IN GENERAL.—Not later than one year  
25 after the date of the enactment of this Act, and an-

1 nually for the 3 years thereafter, the Working Group  
2 shall submit to the Secretary of the Treasury, the  
3 heads of each agency represented in the Working  
4 Group pursuant to subsection (a)(2), and the appro-  
5 priate congressional committees a report containing  
6 the findings and determinations made by the Work-  
7 ing Group in the previous year and any legislative  
8 and regulatory proposals developed by the Working  
9 Group.

10 (2) FINAL REPORT.—Before the date on which  
11 the Working Group terminates under subsection  
12 (e)(1), the Working Group shall submit to the ap-  
13 propriate congressional committees a final report de-  
14 tailing the findings, recommendations, and activities  
15 of the Working Group.

16 (d) TRAVEL EXPENSES.—Members of the Working  
17 Group shall serve without pay, but shall receive travel ex-  
18 penses in accordance with sections 5702 and 5703 of title  
19 5, United States Code.

20 (e) SUNSET.—

21 (1) IN GENERAL.—The Working Group shall,  
22 subject to paragraph (3), terminate on the date that  
23 is 4 years after the date of the enactment of this  
24 Act.

1           (2) EXPIRATION AND RETURN OF APPRO-  
2           PRIATED FUNDS.—On the date on which the Work-  
3           ing Group terminates under paragraph (1)—

4                   (A) all authorities granted to the Working  
5           Group under this section shall expire, subject to  
6           paragraph (3); and

7                   (B) any funds appropriated for the Work-  
8           ing Group that are available for obligation as of  
9           that date shall be returned to the Treasury.

10           (3) AUTHORITY TO WIND UP ACTIVITIES.—The  
11           termination of the Working Group under paragraph  
12           (1) and the expiration of authorities under para-  
13           graph (2) shall not affect any investigations, re-  
14           search, or other activities of the Working Group on-  
15           going as of the date on which the Working Group  
16           terminates under paragraph (1). Such investigations,  
17           research, and activities may continue until their  
18           completion.

19   **SEC. 3. PREVENTING ROGUE AND FOREIGN ACTORS FROM**  
20                   **EVADING SANCTIONS.**

21           (a) REPORT AND STRATEGY WITH RESPECT TO DIG-  
22           ITAL ASSETS AND OTHER RELATED EMERGING TECH-  
23           NOLOGIES.—

24                   (1) IN GENERAL.—Not later than 180 days  
25           after the date of the enactment of this Act, the

1 President, acting through the Secretary of the  
2 Treasury and in consultation with the head of each  
3 agency represented on the Independent Financial  
4 Technology Working Group to Combat Terrorism  
5 and Illicit Financing pursuant to section 2(a)(2),  
6 shall submit to the appropriate congressional com-  
7 mittees a report that describes—

8 (A) the potential uses of digital assets and  
9 other related emerging technologies by states,  
10 non-state actors, foreign terrorist organizations,  
11 and other terrorist groups to evade sanctions,  
12 finance terrorism, or launder monetary instru-  
13 ments, and threaten United States national se-  
14 curity; and

15 (B) a strategy how the United States will  
16 mitigate and prevent the illicit use of digital as-  
17 sets and other related emerging technologies.

18 (2) FORM OF REPORT; PUBLIC AVAILABILITY.—

19 (A) IN GENERAL.—The report required by  
20 paragraph (1) shall be submitted in unclassified  
21 form, but may include a classified annex.

22 (B) PUBLIC AVAILABILITY.—The unclassi-  
23 fied portion of each report required by para-  
24 graph (1) shall be made available to the public

1 and posted on a publicly accessible website of  
2 the Department of Treasury—

3 (i) in precompressed, easily  
4 downloadable versions, in all appropriate  
5 formats; and

6 (ii) in machine-readable format, if ap-  
7 plicable.

8 (3) SOURCES OF INFORMATION.—In preparing  
9 the reports required by paragraph (1), the President  
10 may utilize any credible publication, database, or  
11 web-based resource, and any credible information  
12 compiled by any government agency, nongovern-  
13 mental organization, or other entity that is made  
14 available to the President.

15 (b) BRIEFING.—Not later than 2 years after the date  
16 of the enactment of this Act, the Secretary of the Treasury  
17 shall brief the appropriate congressional committees on  
18 the implementation of the strategy required by subsection  
19 (a)(2).

20 **SEC. 4. DEFINITIONS.**

21 In this Act:

22 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
23 TEES.—The term “appropriate congressional com-  
24 mittees” means—

1 (A) the Committee on Banking, Housing,  
2 and Urban Affairs, the Committee on Finance,  
3 the Committee on Foreign Relations, the Com-  
4 mittee on Homeland Security and Govern-  
5 mental Affairs, the Committee on the Judiciary,  
6 and the Select Committee on Intelligence of the  
7 Senate; and

8 (B) the Committee on Financial Services,  
9 the Committee on Foreign Affairs, the Com-  
10 mittee on Homeland Security, the Committee  
11 on the Judiciary, the Committee on Way and  
12 Means, and the Permanent Select Committee  
13 on Intelligence of the House of Representatives.

14 (2) BLOCKCHAIN INTELLIGENCE COMPANY.—

15 The term “blockchain intelligence company” means  
16 any business providing software, research, or other  
17 services (such as blockchain tracing tools,  
18 geofencing, transaction screening, the collection of  
19 business data, and sanctions screening) that—

20 (A) support private and public sector in-  
21 vestigations and risk management activities;  
22 and

23 (B) involve cryptographically secured dis-  
24 tributed ledgers or any similar technology or  
25 implementation.

1           (3) **DIGITAL ASSET.**—The term “digital asset”  
2 means any digital representation of value that is re-  
3 corded on a cryptographically secured digital ledger  
4 or any similar technology.

5           (4) **FOREIGN TERRORIST ORGANIZATION.**—The  
6 term “foreign terrorist organization” means an or-  
7 ganization that is designated as a foreign terrorist  
8 organization under section 219 of the Immigration  
9 and Nationality Act ( 8 U.S.C. 1189).

10          (5) **ILLICIT USE.**—The term “illicit use” in-  
11 cludes fraud, darknet marketplace transactions,  
12 money laundering, the purchase and sale of illicit  
13 goods, sanctions evasion, theft of funds, funding of  
14 illegal activities, transactions related to child sexual  
15 abuse material, and any other financial transaction  
16 involving the proceeds of specified unlawful activity  
17 (as defined in section 1956(c) of title 18, United  
18 States Code).

19          (6) **TERRORIST.**—The term “terrorist” includes  
20 a person carrying out domestic terrorism or inter-  
21 national terrorism (as such terms are defined, re-  
22 spectively, under section 2331 of title 18, United  
23 States Code).